



Questions & Answers

Special Health Care District Transition Public Forum

May 6, 2004

Only one written question submitted at the May 6th forum:

Q: "Can you share any additional details regarding the replacement vendor for the claims payment system? Who are the vendors, where are they from, who are you leaning towards choosing and why?"

A: Maricopa County is required by state law to follow a procurement code, which in turn requires that procurement information to remain confidential until the "bid solicitation" process has been completed. MIHS hopes to have the process completed within the next two weeks, and we will update this information as soon as the selection has been made.

One e-mail question was received following the forum:

Via e-mail:

Transition Team:

I sent this to Christina Leonard and the County Board last night, but it didn't occur to me until this morning that I could send it to the transition team through the website.

I think a lot of my problem is not with the transition plan, but with the political process that led to the need for a transition.

Best wishes,
Howard Dendurent

Attachment:

Christina,

Thanks for your informative and understandable article in today's [The Arizona Republic](#) about the hospital bailout. I was glad that your side-bar mentioned the Public Forum tonight and that I was able to attend.

The subject of this e-mail is a rewording of a nineteenth century quotation, I think from a German politician, that "War is too important to be left to the generals." I hope that the new Hospital District is not dominated by health care professionals. Even though they should have an important role in health care (along with the patients), there are important issues that go beyond their competence and training.

One such issue is the financial and information management aspect. Other important issues are insurance plans and claims processing. These received inadequate discussion tonight.

I was pleased to see that two members of the County Board were at the Public Forum as well.

I tried hard to follow the prepared discussion, but the jargon and acronyms frequently left me bewildered. I hope that you can turn the discussion into plain English for publication.

I was glad to hear that the County Board is committed to be responsible for funding losses, but I wonder how long the Board is committed -- until the Hospital District Board takes over, or is there a longer "warranty"? What, for example, would the Hospital District have done if today's reported losses had not been discovered until this time next year? And what will the Hospital District do if the new claims management system to be adopted on July 1, 2004, performs as poorly as the old system? It may be several years before we will be able to tell if the County has accomplished a clean hand-off of operations.

I have to confess that, even though we will now have a Hospital District, I still don't understand the benefits that will accrue to Maricopa County residents -- the taxpayers, the patients, or the medical community. The issues discussed at tonight's Public Forum occurred during the County's watch, but they could just as well occur during the future watch of a Hospital District. The big difference, it seems to me, is that the Hospital District will be much more rigid financially than the County if there is a financial crisis in the future.

Further, the Hospital District will be more vulnerable to a takeover by health care professionals, which I think would be tragic. It's late, and I'm too tired to consider this further tonight.

Best wishes,
Howard Dendurent

Response

Howard, I shared your e-mail with our County Administrator, David Smith, who asked that I forward the following response to you. Quite obviously, your message resonated with him. Also, would you mind if I posted your e-mail and David's response to the mihs2district web site? My hunch is that other folks have had the same questions, and would benefit from the information. Thanks again.

*Shawn Nau, Director
Health Care Mandates Department*

Howard,

I found your thoughtful e-mail to Christina Leonard to be very interesting, in part because it bears many similarities to the internal discussions that we have had over the last two years. I share your concern for the future of Maricopa Medical Center. However, I also think that it is important that you are given the chance to hear the "other side" of the debate as well. One of the main reasons that Citizen's Task Force recommended that the District's board be elected was to raise the visibility of the county hospital in the community -- both from an oversight perspective and to obtain a dedicated tax to pay for the safety net hospital's losses. (Generally speaking, the state legislature will not give taxing authority to an appointed board.) Having said this, I also agree with you that an elected board carries the risks inherent in who chooses to run and who wins. Will the voters choose *only* health care professionals for the new Board? There is no way to know at this point, but we will have the answer in a few months. The fact that we *are permitted* this choice is representative of both the strengths and weaknesses of a democratic process. I sincerely hope that County voters share your willingness to become fully informed before they cast their vote.

You are also correct that the tax levy available to the District is more limited than that of Maricopa County. However, the individuals that have studied the system carefully consider it adequate to carry out the hospital's traditional mission. The recent losses and performance problems are about 95% on the health insurance plan side and not in hospital's delivering of medical care. I believe that the County can, and should, retain ownership of these insurance plans as long as is needed to completely fix everything. This includes the reworking of the old bills and complete installation of the new bill paying system. Retaining the insurance plans will reduce the financial risk to the new District, and will prevent the insurance plans' problems from being a distraction to the newly-elected Health Care District Board. Ultimately, the Board of Supervisors will have to determine when the insurance plans should be transferred to the District. I am certain, however, that the Board is committed to a complete fix.

Thanks you for taking the time to write us,
Dave

Reply

Shawn,

Thanks for your and David's prompt response to my e-mail. By all means, you are welcome to post my e-mail and David's response to the mihs2district website. A better understanding of the issues can only be helpful to all.

I agree completely with David that we can't know at this point who will be elected to the Hospital Board, and I hope that no one will vote either for or against a person because they either have or don't have a medical background.

I suspect and hope that voter interest (and visibility) will be high in the election of the first Board; but, given the length of the ballot already, I fear that voter interest will wane rapidly. [I should confess that when I studied political science in college years ago, I was strongly in favor of voter involvement through long ballots, initiatives, recalls, and referendums. However, I now get annoyed because I feel compelled to try to vote intelligently and it's hard to find the time and get the required information. Some of the publications put out to explain candidates, referendums, and initiatives just raise more questions.] But, perhaps, it's just as well that the voters are apathetic as long as there are no crisis to attract voter attention. I would still assert, however, that the voter's ability to respond to such a crisis would be more delayed in time and more restricted in options than the ability of the County to respond.

I also am pleased that the County is considering retaining the insurance plans. It seems to me that the skills required to run insurance plans and claims review are very different than the skills required to run a medical care system, other than a bit of overlap in terms of knowledge of medical care. I must say, further, that the people who process my medical bills for Blue Cross seem to be more interested in finding a way to deny claims rather than understanding why particular medical procedures were ordered. The county may wish to consider the option followed by the Federal Government of collecting health care premiums and contracting out health care insurance (for Federal employees) and just supervising the private health care providers to ensure that they abide by the contract.

Well, these are complicated and important issues. Best wishes to you as you work to resolve them.

Howard Dendurent